

SME Drivers and Barriers to Implementing Sustainable Solutions in New York State

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In today's environmental and political climate, the adoption of sustainable solutions by businesses is not only increasingly relevant, but also necessary for the preservation of our planet. While SMEs (small and medium-sized enterprises) account for the majority of the world's businesses, they are far less likely to implement sustainable solutions than large corporations (Robinson & Stubberud, 2013). Inspired to identify what motivates and prevents SMEs from implementing sustainable practices, we conducted a preliminary study by interviewing SMEs within New York State. Although similar research has been completed, the vast majority of studies have been conducted outside of the US and completed several years ago (Wiesner, Chadee, & Best, 2017). In our research, we found it interesting to consider whether current US legislation and social or industry trends have an impact on SMEs' sustainability improvements. Carrying out our research in NYS has produced more relevant observations and contributed to a greater understanding of SMEs' adoption of sustainable operations.

Beginning in 2016, several undergraduate and graduate Ithaca College students interviewed 25 SMEs in NYS, predominantly located in Ithaca and Syracuse. In the interest of the procedural consistency for multiple interviewers, a series of open-ended interview questions were developed based on common sustainability factors identified across previous studies (Gadenne et al., 2008; Robinson and Stubberud, 2013; Giri et al., 2015). These questions were also improved after completing a practice interview with a sustainability expert. After the completion of interviews, SME responses were assessed through a content analysis of the interview transcripts. In reviewing these transcripts, we were able to identify the most prevalent responses that revealed common SME drivers and barriers to adopting sustainable practices.

Based upon this preliminary dataset, some significant results were observed as to how SMEs in NYS engage with sustainability as well as what drives and impedes them from doing so. For instance, 40% of respondents noted they learned about sustainability due to their personal interest, whereas only 20% indicated some formal educational background in the subject. In terms of motivators, 60% of respondents pointed to increased consumer demand for sustainable products / services as a cause for business change; 36% noted their company's feelings of responsibility to do their part as an additional impetus. Interestingly, 25% of respondents specifically noted social trends, defined as the feeling of obligation to adopt sustainable practices because of local culture or the pressure to conform, as a major motivator. Given that the makeup of

the current dataset is predominantly Ithaca-based, this leads to further questions on the impact of local municipalities specifically on sustainable efforts. Looking at government regulations and tax incentives as influencers, an even 50/50 split was observed across respondents. Coupled with 76% of respondents responding “No” to fines and compliance influence and 80% responding the same way to industry association influence, it appears that consumer and internal drivers may be the leading motivators behind sustainable initiatives. However, 32% of respondents also noted they “learn from their competitors”, defined as being educated by or learning sustainable practices from competitors, either collaboratively or reactively. Although unclear at this time as to whether or not this is a primary driver of change for SMEs, it is relevant to note. In terms of barriers to implementation, 78% of respondents noted they were concerned with the costs associated with sustainable implementations and 32% cited limited internal resources as a deterrent from evaluating alternatives. Although these concerns were present, 68% of respondents still described their initiatives as having paid off with 20% stating they “felt good” as a result.

Thus far, consumer demand combined with intrinsic motivators such as owners / managers’ values and competitor comparison appear to be the strongest motivators behind SMEs implementing sustainable solutions. Conversely, cost and limited resources appear to be the two largest barriers to implementation. Based on these initial observations, a more holistic model will be developed in the form of an online survey to capture information related to sustainable drivers and barriers for SMEs in NYS at a much grander scale. With newly found trends and further questions raised, our hope is that this survey and its subsequent results will contribute to the existing knowledge of sustainability strategies and experiences, specifically drivers and barriers, among SMEs in the US.

References

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